

GRUPO MEXICO, S.A. DE C.V. (GMEXICO)

GMEXICO ranks among the most important companies in Mexico, Perú and United States and it is a significant mining player in the world. It is a holding company of mining and transportation operations which are performed through two subsidiaries organized as follows: **Americas Mining Corporation (AMC)** is a sub-holding company which groups mining operations in Mexico, the United States and Peru. Additionally, GMEXICO maintains exploration activities under progress in Chile, Canada, Australia and Ireland. The second subsidiary is **Infraestructura y Transportes Mexico, S.A. de C.V. (ITM)**, which is a sub-holding company that groups our activities in freight transportation, logistics and multi-modal services, through Grupo Ferroviario Mexicano, S.A. de C.V. (GFM), which operates the largest railroad and most profitable in the Mexican territory.

Mining Division: Americas Mining Corporation (AMC)

GMEXICO through Americas Mining Corporation ranks as the world's third largest copper producer, second in molybdenum, fourth largest producer of silver and eight largest producer of zinc. It also ranks as the world's second largest company and first among companies publicly listed in stock markets in terms of copper ore reserves.

AMC carries its operations in Mexico through Minera Mexico (MM) subsidiary, in Peru and Chile through Southern Peru Copper Corporation (SPCC) and in the United States of America and Canada through ASARCO, Incorporated (ASARCO). Copper is 78% of its mineral production. It also produces Molybdenum (8%), silver (6%) and zinc (6%). Other by-products are gold, coal and sulfuric acid among others.

Minera México, S.A. de C.V. (MM)

Minera Mexico is the largest mining company in Mexico. MM produces copper, zinc, silver, gold and molybdenum. MM is a holding company and all of its operations are conducted through subsidiaries that are grouped into three separate units. First, the Mexicana de Cobre Unit that operates an open-pit copper mine; It also operates a 90,000 metric tons per day of copper ore Concentrator, a 22,000 metric tons. per year Solvent Extraction-Electro Winning (SX/EW) Refinery, a 300,000 metric tons per year copper smelter, a 300,000 metric tons per year Refinery, a 150,000 metric tons per year Rod Plant and a 15 million ounces per year of silver and 100,000 ounces per year of gold Precious Metals Refinery. Second, the Cananea Unit, operates an open-pit copper mine that is one of the world's largest copper ore deposits, a 80,000 metric tons per day of Copper Concentrator, and two Solvent Extraction-Electro Winning (SX/EW) Refineries with a combined capacity of 55,000 metric tons per year of electro winning copper. The Industrial Minera Mexico Unit consists of seven underground mines located in central and northern Mexico where zinc, copper, silver and gold are mined. This Unit includes an industrial processing facility for zinc and copper in San Luis Potosi and Mexico's largest underground mine, San Martin, as well as Charcas, Mexico's largest zinc producing mine. It also includes a coal facility in northeast Mexico.

Asarco Incorporated (ASARCO)

Acquired by GMEXICO in November 1999, Asarco's operations includes the open-pit mines in Mission 32,000 metric tons per year of copper ore, Ray 50,000 metric tons per year of copper ore and Silver Bell 22,000 metric tons per year of electrowon copper in Arizona, a 180,000 metric tons. per year of copper smelter in Hayden, Az., a 450,000 metric tons per year of copper cathod refinery, a 30 Million ounces per year of silver and 200,000 ounces per year of gold Precious Metals Refinery, and a 50,000 metric tons per year of cake and 260,000 metric tons per year rod plant in Amarillo, Texas, as well as two SX/EW plants in Silver Bell and Ray, Arizona, with a combined capacity of 68,000 metric tons per year of electro winning cathodes. Asarco also holds three important underground zinc mines 80,000 metric tons of concentrates per year with 65% grade in the State of Tennessee.

Southern Peru Copper (SPCC)

Is 54.2% owned by GMEXICO through its Americas Mining Corporation (AMC). It is the largest mining company in Peru and one of the 10 largest mining companies in the world. SPCC operates the Toquepala 63,000 metric tons per day of copper ore and Cuacone 80,000 metric tons per day of ore concentrators, a Smelter of 290,000 metric tons of copper per year, a Refinery 280,000 metric tons of cathodes per year, a 55,000 metric tons per year of electro winning cathodes, and a Precious Metals Refinery, capable of producing 5 Million ounces per year of silver and 10,000 ounces of gold per year. The Industrial complex is located at the Ilo port on the Pacific Coast.

Railroad Division:

Infraestructura y Transportes México, S.A. de C.V.: Includes Grupo Ferroviario Mexicano, S.A. de C.V., Intermodal México, S.A. de C.V. and Texas Pacifico, Inc.

Grupo Ferroviario Mexicano, S.A. de C.V.

Runs Mexico's largest and most profitable railroad with near 6,000 miles of tracks and 15,000 carloads, transporting over 40% of all the railroad cargo of the country. GMEXICO acquired the rail concession from the Mexican federal government for 100 years in 1998. GMEXICO owns 74% and Union Pacific 26% of the company. The railroad, known as FERROMEX, has the largest coverage of the nation's railway system. The railroad system connects the main cities in the country, where 70% of industrial production is created and services five land ports on the border with USA, four seaports on the Pacific Ocean and two on the Gulf of Mexico.

Intermodal México, S.A. de C.V.

Operates since November 2001. Its objective is to develop and provide multi-modal services and logistics for load transportation. For such purposes it has constructed facilities in Guadalajara and it is in the process of constructing several other facilities in the most significant cities of central and northern Mexico.

Texas Pacifico, Inc.

Holds and operates a railroad in USA, that interconnect the border point Ojinaga Mex./Presidio Texas with the City of Dallas Texas.

Company History:

1899.- Americas Smelting and Refining Company (Asarco) was founded in USA.

1901.- Asarco begins operations in Mexico.

1965.- Asarco is reorganized to form Asarco Mexicana with 51% Mexican Ownership.

1974.- Asarco Mexicana changed its name to Industrial Minera Mexico (IMMSA) and Asarco (USA) ownership change to a holding of 34% participation.

1978.- Grupo Industrial Minera Mexico (GIMMEX) is created by the Mexican controlling group and is listed on the Mexican Stock Exchange (GIMMEX).

1980.- Construction of a new Zinc Refinery of 106,000 metric tons per year, 200 MMD investment. Started operations in 1982.

1988.- In a public bidding, 95% of Mexicana de Cobre is acquired from the Mexican government and private partners related to GIMMEX by an amount \$690 US million dollars.

1989.- Expansion of Mexicana de Cobre, Concentrator from 70,000 to 90,000 metric tons of ore per day.

1990.- In a public auction, 100% of Cananea Mine, Sonora is acquired from the Mexican government by a consortium formed by Mexicana de Cobre (76%) and Acec Union Miniere (24%) for an amount of \$525 US million dollars, with the commitment to invest additional \$400 million US dollars.

1990-1994.- 474 MM USD program dedicated to mine stripping, modernization and new equipment for the Cananea, Sonora complex.

1994.- GMEXICO is created and listed in the Mexican Stock Exchange replacing GIMMEX.

1995.- Construction of a 22,000 Tons., of cathodes per year new SX/EW plant in La Caridad, Sonora unit which represented 50 MM USD investment.

1995.- Expansion of the Concentrator Plant of Cananea, Sonora from 60,000 to 80,000 metric tons of ore per day.

1996.- Expansion of La Caridad, Sonora Smelter from 180,000 to 300,000 metric tons, of anodes per year, in compliance with international environmental regulations. With an additional Investment of 150 MM USD.

1997.- 100% integration of copper through the construction at La Caridad, Sonora of 300,000 metric tons per year Refinery; within an investment of 175 MM USD.

1997.- GMEXICO acquires the 24% of Cananea Mine, Sonora from Acec Union Miniere due to the termination of the copper commercial concentrates contract.

1997.- In a public auction, GMEXICO (74%) in association with Union Pacific (13%) and ICA (13%), acquires for 575 MMD the concession of the North-Pacific, Chihuahua-Pacifico and the short line Nogales-Cananea railroad lines and is created GFM with its subsidiary Ferrocarril Mexicano, S.A. de C.V. (Ferromex). Three months later, Union Pacific acquires the ICA portion of the GFM's ownership.

1998.- A 150,000 metric tons per year Rod Plant was built in La Caridad, Sonora Complex.

1998.- A new Precious Metals Refinery of 15 million of silver ounces and 100 thousand ounces of gold per year was built in Sonora, Mexico.

1999.- GMEXICO acquires all of the outstanding common stock of Asarco Incorporated controlling, by this 54.2% in Southern Peru Copper Corporation, a Delaware company listed in the NYSE. This 2.5 billion dollar acquisition makes GMEXICO the second largest copper company in terms of copper reserves, the third largest producer of copper and fourth largest producer of silver in the world.

2000.- Expansion and Modernization of Cuajone, Perú Concentrator from 60,000 to 100,000 metric tons, of ore per day within an investment more than 200 MMD.

2001.- Torata, Peru Project within an investment of 80 MMD. Optimization and expansion of the Cuajone, Peru mine increasing its reserves from 10 to 40 years.

2002.- Expansion of Cananea, Sonora SX-EW refineries from 33,000 to 87,000 metric tons, of cathodes/per year.

2003.- Expansion of the Toquepala, Peru concentrator from 42,000 to 60,000 metric tons of ore per day, within and investment of 60 MMD.

2004.- Building a new smelter in Ilo, Peru for 1.2 million of concentrates, complying with Peruvian and international environmental regulations, should be in operation by 2007.

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